



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D. C. 20503

OFFICE OF FEDERAL
PROCUREMENT POLICY

October 4, 2006

MEMORANDUM FOR CHIEF ACQUISITION OFFICERS
SENIOR PROCUREMENT EXECUTIVES

FROM:

Paul A. Denett
Administrator

A handwritten signature in black ink, appearing to read "Paul A. Denett", written over the printed name.

SUBJECT:

Review of Commercially Available Online Procurement
Services

The Office of Federal Procurement Policy (OFPP) and the Acquisition Committee for E-Gov (ACE) are chartering a working group to review the regulations, policies, and business considerations associated with using commercially available online procurement services. Your agency's participation in this effort is requested. We are especially interested in agency procurement personnel with specific expertise in using creative, online procurement services. We need to better understand the advantages and disadvantages of these services to formulate helpful guidance where needed.

The Conference Report for the National Defense Authorization Act for FY 2006, P.L. 109-360, requested that OFPP, in consultation with the Federal Acquisition Regulatory Council, review the use of online procurement services, such as reverse auction services, and identify: (1) types of commercial item procurements that are suitable for the use of such services; and (2) features that should be provided by online procurement services that are used by federal agencies.

The working group will, at a minimum, consider the following:

- Compiling lessons learned from agency procurements that used online procurement services.
- Creating and issuing an OFPP Best Practices Guide for using online procurement services.
- Developing a model requirements document to support acquisitions for these services.
- Drafting any FAR changes that may be needed to increase the effective use of online procurement services.
- Obtaining information from the private sector on their use of online procurement services.

We anticipate that the working group will meet periodically over a three or four month period starting in early November 2006. Please send your representative's name and contact information by October 31, 2006 to Julie Basile via email at jbasile@omb.eop.gov, or by facsimile to 202-395-5105.

I appreciate your assistance in this important effort to improve the way we use online procurement services.